JULY 1987

OREGON LABOR TRENDS

JUNE INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj)
June	1987	5.8
May	1987	5.5
June	1986	8.4
U.S.		
June	1987	6.1
May	1987	6.3
June	1986	7.1

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100	
June	1987	116.7
May	1987	116.4
Apr.	1987	116.0
Mar.	1987	115.6
Feb.	1987	115.3

DIFFUSION INDEX

Oregon		
June	1987	62.4
May	1987	60.9
Apr.	1987	61.6
Mar.	1987	61.6
Feb.	1987	64.3

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
May	1987	10.60
Apr.	1987	10.55
May	1986	10.76

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
Nov. 1986	318.0
Yearly change	0.3%
Annual Average 1986	316.8
Yearly change	1.4%
U.S.	
June 1987	340.1
Yearly change	3.7%
Annual Average 1986	328.4
Yearly change	1.9%

Portland Hotline 221-4132

MONTHLY ECONOMIC ANALYSIS

Dave Surdam

June employment figures provide us with an excuse to discuss interpretation of economic statistics. The State of Oregon Employment Division, as well as seemingly multitudes of other sources, provide an avalanche of economic data. The reader may be excused for feeling buried under a surfeit of numbers. Who can make sense of all of it?

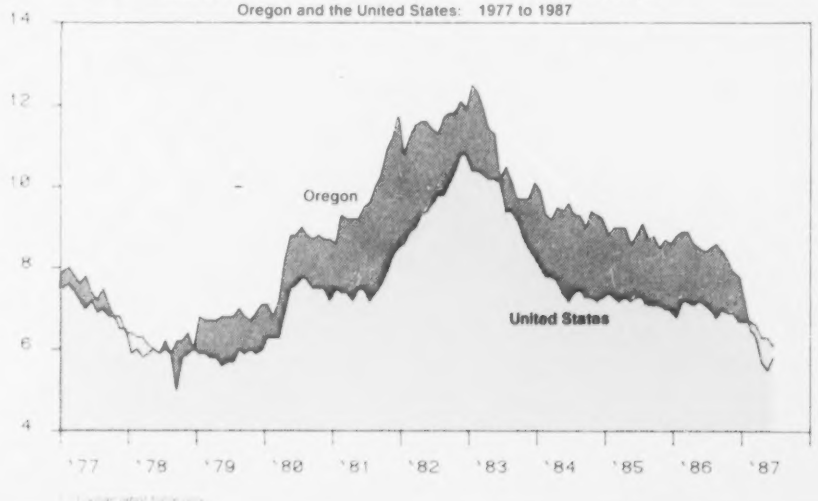
Not only are the readers overwhelmed with data, but they are buffeted by obscure footnotes and titles, referring to "Seasonal Adjustment," "P. eliminary," and "Revised" figures. A 19th Century philosopher claimed, "Out of chaos comes order," but a citizen of a modern economic society must doubt the veracity of his claim

In June, the Oregon seasonally adjusted unemployment rate was 5.8%, up 0.3% from May. This ended a nine-month period of decreasing seasonally adjusted unemployment rates. At first glance, this might seem reason to worry. On a higher level of sophistication, we might attribute this 0.3% rise as falling within the margin of statistical error (e.g. the standard error for the national rate is ±0.11%), so it would be wise to recall the bromide, "It takes three months to make a trend."

We could delve further into the formulation of the unemployment figure. If an area is booming economically, it tends to attract an influx of workers. It takes time for the area to assimilate in-migrants, so we can be faced with an apparent paradox: a booming area with 'high' unemployment rates. However, in the case of June's rate, there is scant evidence of unusual in-migration.

Another possible explanation concerning changes in the unemployment rate is people re-entering the labor market. If an economy is generating new jobs, discouraged workers who had dropped out of the labor force may see hope of becoming employed and will re-enter the labor force. This may raise the unemployment rate as it takes time for these people to secure jobs. Again, in the case of the June rate, there is little evidence of this phenomena.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
Oregon and the United States: 1977 to 1987



June's unemployment rise appears to be a methodological one, a matter of compiling the rate. Recall that April and May's figures showed a rapid drop from March and previous months' rates. Some of this drop was attributable to good weather occurring earlier than normal. Employment in outdoor industries such as lumber & wood products, construction, and agriculture displayed an abnormal rise for April and May, and a consequently lower unemployment figure for those months. We use seasonal adjustment to try to capture the underlying economic movements, isolated from the normal seasonal movements in the rates. Because these hirings came earlier than normal, the seasonal adjustment method may have amplified the improvement in unemployment.

The seasonal adjustment method assumes that June brings a surge of hiring in these outdoor industries. Since much of the surge had already occurred, we would expect the June employment and unemployment figures to be biased toward less than normal improvement. As it turns out, June still had an employment surge which compared reasonably well with previous years. Thus, we can conclude that the seasonally adjusted unemployment rates for April and May were artificially low, so June's rise is equally artificial. The primary culprit is the abnormal weather which altered the seasonal hiring pattern and distorted the seasonal adjustment process.

The reader may wonder what all the fuss is about. One way to deal with the mass of economic data is to focus on 'key' indicators: unemployment rate, consumer price index, Dow-Jones, etc. In effect, we economize on the input of data, but at the expense of losing interpretative ability. For many situations, we simply cannot rely on a single number, or even a battery of numbers, to give correct interpretations. We cannot say, "Unemployment rates were up, that's bad." Similarly, we should not use a Consumer Price Index indiscriminately in determining wage rate hikes since the CPI's validity varies from individual to individual, or group to group.

Economic data are tools. Like any tools, we should not expect them to perform more tasks than they were designed for. Too often an economic figure is used for too much, with undesirable consequences.

We at the Employment Division will attempt to provide supplemental data to help you interpret these basic indicators. We'll even supply our interpretation of them. However, in using the data, we challenge you to trust your own experience or intuition and to be skeptical in assimilating ours or any other interpretations. After all, economic variables affect people differently. What is bad for one person may be beneficial to another. If our interpretations seem incomplete or erroneous for your needs, please contact us and we'll try to supply information which may help you interpret the economic situation. One of the goals of government collection of economic data is to enable the citizenry to make better economic decisions; this is a goal worth striving for, and your input can help us become more efficient in providing the information you need.

That said, here are the rest of the June figures...

The 'rise' in the unemployment rate aside, Oregon's economy did not suffer from a June relapse. Even the unemployment figure, placed in a six-month perspective, was upbeat. For the first six months of 1987, the State's average unemployment rate was 6.2%, which compares favorably to the first six months of 1986 (8.7%) and 1985 (8.9%).

In addition, Oregon's unemployment rate compares favorably with the national rate (6.1%); June was the fifth consecutive month Oregon's unemployment rate was lower than the national rate.

The number of employed Oregonians increased 27,400 from May. Nonagricultural wage and salary employment was up 15,400 from May, setting an all-time record of over 1.1 million.

Some 29,100 Oregonians joined the labor force in June. The average influx for June (for the period 1982-86) was 26,400. Since employment rose by 27,400 and the number of unemployed workers rose by only 1,700, the vast majority of those entering the labor force, many of them students looking for summer jobs, were able to find employment. Thus Oregon's economy displayed an impressive ability to absorb increased numbers of workers.

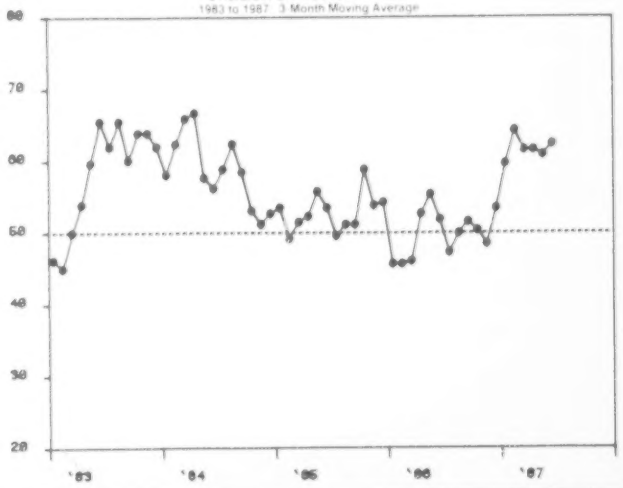
The nonfarm employment index moved up to 116.7. The diffusion index also showed improvement; its showing of 62.4 holds promise that the economy will continue to expand.

Manufacturing employment grew by 6,200, which is about normal for this time of year. Nonmanufacturing industries added 9,200 jobs, about 2,700 above seasonal expectations.

Putting the numbers into a longer perspective, since the unemployment rate began to decline in August 1986, Oregon's economy has added 34,700 jobs in ten months. This includes more than 5,500 manufacturing jobs (4,400 in lumber and wood products alone) and

SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
Oregon and the United States - 1980 to 1987

OREGON DIFFUSION INDEX
1983 to 1987 - 3 Month Moving Average



18,500 trade and services jobs (all figures seasonally adjusted).

Other highlights in June include 68,800 workers in lumber & wood products, the highest level since September 1984. Significant disruptions in the shipyards, including layoffs, dropped the shipbuilding & repairs industry to its lowest employment level since December 1984. Further cutbacks are possible. Surprisingly, food & kindred products posted a normal increase in employment during June. This occurred despite the berry growers' concern over and difficulty with obtaining sufficient workers.

Manufacturing overall enjoyed a solid month. Aside from transportation equipment, none of the manufacturing industries experienced a decline in employment for June.

In the nonmanufacturing sector, construction had a gain of 1,700, which is normal for this time of year. What is impressive is that construction had posted larger-than-normal gains in the previous two months, so the industry is revealing an encouraging robustness. Future gains appear possible as the recent federal highway bill has yet to affect the heavy construction industry. Transportation, communications, & utilities were stable in June. Only trucking & warehousing showed any movement with a gain of 300. Summer hiring helped boost the trade sector. The real estate industry continued to improve, adding 900 jobs in June. Since June 1986, the real estate sector has added 1,800 new workers.

Mirroring the national trend, the rate of growth in services slowed. From August 1986 (when the unemployment rate improvement started) to March 1987, services added roughly 1,200 more employees per month, than seasonally expected. In the last three months, the rate has been reduced to 900. Even with this slower rate of growth, record employment levels were set in June in the hotels & motels, business services, repair services, amusements, and health services sectors.

Services and government experienced the usual seasonal variance. Private education, which is included in services, had a drop of 2,800 in June. Further drops from the end of the school-year are likely in July. Government had declines in state and local education, but these were largely offset by seasonal hiring of forestry and parks personnel. Public education employment should plummet by 20,000 to 25,000 when July figures are released.

All in all, it was a month of good news for Oregon's employment situation. □

OREGON WORKFORCE 2000

Dave Allen and Jeff Hannum

People used to say that the only things that are certain in life are "death" and "taxes". Today, we can add a third element that is virtually certain...and that is change. Although change has occurred in many areas affecting our lives in the past, it seems that today the magnitude and rate of change is accelerating, especially in the economic and demographic arenas.

In today's environment of rapid change, it is essential that private industry, government officials, and the general public become aware of key trends likely to impact us in the future. The U.S. Department of Labor is currently engaged in a major effort to identify these significant issues and trends. In order to focus on structural changes most likely to impact the future of Oregon's economy and work force, Employment Division Research staff recently completed a special Oregon Workforce 2000 report. The following are some highlights and key trends discussed in this report:

Oregon's Economy - Dependence on National Trends

Despite important differences, Oregon's economy will continue to be highly dependent upon federal policies and national business cycles.

In the 1990s, the economies of both Oregon and the Nation will become increasingly dependent upon and linked to the global economy through international product and financial/currency markets, new technologies, and competitive pressures.

Increased foreign and domestic competition will continue to force employers to cut costs, adopt new technologies, and restructure/streamline their operations, causing dislocations in the work force.

Economic growth and decline will vary by region, resulting in population shifts both nationally and in Oregon. Those areas of the State that rely on a single industry or major employer will be most vulnerable to economic dislocations.

The production of basic commodities will still be very important in Oregon by the year 2000, but fewer workers will be needed to produce larger volumes of output.

Population - The Changing Human Resources Base

Oregon's total population and labor force, contrary to the national trend, will grow faster during the 1990s than during the 1980s.

The proportion of Oregon's population and work force which is non-white or minority will increase in the 1990s, but at a slower rate than nationally.

The average age of the population and labor force will increase in both Oregon and the Nation by the year 2000 as the "baby boom" generation reaches middle age.

A decline in the number of young adult workers may lead to labor skill shortages which will accelerate the introduction and use of new technologies.

CHANGE IN OREGON POPULATION PROFILE

1985 TO 2000

A large increase in the population of retired persons will expand the demand for health and recreation services.

Nearly two-thirds of the increase in Oregon's labor force through the year 2000 will be women.

A large increase in the number of middle-aged, experienced workers will mean opportunities for greater productivity gains, but less vertical mobility for younger workers.

Population immigration from other countries, and especially from other states, may modify these trends, but will not significantly alter them.

School dropout rates in Oregon are closely correlated with unemployment rates and job market opportunities. Although the overall unemployment rate may be lower, obtaining "good" jobs in the future will increasingly require education and skills training beyond high school.

Industry and Occupational Changes - Where Will The Jobs Be?

Between 1979 and 1986 Oregon suffered a long recession and a painful recovery. During the recession, both manufacturing and nonmanufacturing jobs were lost. During the recovery, mostly trade and service jobs were created.

Nearly 180,000 new jobs will be created between 1986 and 2000. Over 90% of the new jobs will be in nonmanufacturing, primarily in trade and service-related industries. One-fourth will be in retail trade.

Annual pay for trade and service sector jobs is approximately 73% of that in manufacturing (1985). About 30% of the new jobs in trade and service will likely be part-time. The trend is, therefore, toward an increasing number and proportion of lower paying part-time jobs.

Most of the new jobs that pay a higher than average wage and are not part-time, will require training beyond high school.

Considerable job growth will occur in professional/technical occupations, managers and officers (mostly in trade and services), and sales workers. Craft workers, operatives, and laborers, however, will either decline, or show very little actual growth, due to the increasing use of computerized production equipment and the restructuring of work. The demand for clerical workers will slow down as use of office automation becomes more widespread. The demand for service workers will remain high.

Since 1979, real earnings from employment have declined while income from capital investments and transfer payments have increased. The proportion of total personal income derived from capital investments and transfer payments will continue to increase in the future.

Work Life 2000 - What Is The Worker Likely To Face?

The reorganization of industry includes the development of new corporate structures. Reorganization often means the hollowing out of the corporation (only top managers "network" company business) and the leveling of corporate structure (less hierarchy). These changes typically result in the use of more temporary help and outside contractors.

More workgroup production teams and fewer mid-level managers mean that workers are given more responsibility.

Computerization of work is forcing the increasing use of technology by workers to increase productivity.

As firms turn the high tech corner, there will be a need for increased worker training. Approximately 50% of the cost of computerization is in training.

Pay incentive plans that reward knowledge, multiple job skills, and increased production will be common.

More smaller firms may mean increased job hopping, less job security, and fewer company-paid benefits.

More generalized job descriptions, along with flexible work rules, will increase the variety of job duties a worker will be expected to perform.

Flexible working arrangements including working at home, flex-time, and adjustments for child care, will mean major adjustments of work life.

In the face of growing competition, employers will face various options. Some may lower labor costs by cutting pay, using part-time workers, or contracting out work. Other employers will emphasize increasing productivity through human resource development and greater investment in worker education and training.

Copies of the Oregon Workforce 2000 report are available at no charge. The address appears below. □

NEW LMI PUBLICATIONS

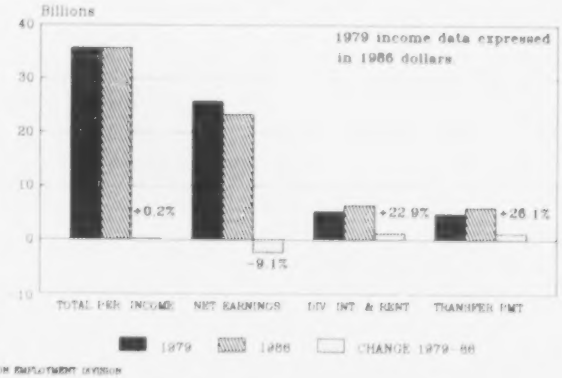
The 1986 Oregon Wage Information report is now available. Over 280 common occupations are listed including 1985 Employment, the sources of wage data for each occupation, and wages (low, average, high).

A special report Oregon Workforce 2000 has just been completed. This 11 page report identifies key issues and trends which are likely to impact Oregon's labor force in the next decade. The focus of this report is on structural changes that are most likely to affect the future of Oregon's economy and work force.

Both of these reports are available at no charge from:

Employment Division - R&S
875 Union Street NE
Salem, OR 97311
Ph: (503) 378-8657 □

OREGON PERSONAL INCOME
1979–1986



RESIDENT OREGON LABOR FORCE

	JUN.[1] 1987	MAY[2] 1987	CHANGE	%CHANGE	JUN.[5] 1986
CIVILIAN LABOR FORCE[3]	1,379,300	1,350,200	29,100	2.2	1,374,300
UNEMPLOYMENT	75,800	74,100	1,700	2.3	109,100
PERCENT OF LABOR FORCE	5.5	5.5	XXX	XXX	7.9
SEASONALLY ADJUSTED PERCENT	5.8	5.5	XXX	XXX	8.4
TOTAL EMPLOYMENT[4]	1,303,500	1,276,100	27,400	2.1	1,265,200

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	JUN.[1] 1987	MAY[2] 1987	JUN. 1986	CHANGE FROM MAY 1987	CHANGE FROM JUN. 1986
TOTAL[3]	1,109,900	1,094,500	1,071,900	15,400	38,000
WAGE & SALARY EMPLOYMENT INDEX[4]	116.7	116.4	112.7	XXX	XXX
DIFFUSION INDEX[5]	62.4	60.9	51.9	XXX	XXX
TOTAL MANUFACTURING	203,200	197,000	200,600	6,200	2,600
DURABLE GOODS	147,600	145,100	145,600	2,500	2,000
LUMBER & WOOD PRODUCTS	68,800	66,300	65,900	2,500	2,900
LOGGING & SAWMILLS	35,400	33,600	34,100	1,800	1,300
VENEER & PLYWOOD	17,900	17,600	17,100	300	800
MILLWORK & STRUCTURAL WOOD	10,200	9,900	9,600	300	600
MOBILE HOMES	1,500	1,400	1,300	100	200
OTHER WOOD PRODUCTS	3,800	3,800	3,800	0	0
FURNITURE AND FIXTURES	2,500	2,400	2,700	100	-200
STONE, CLAY, GLASS & CONCRETE	3,400	3,400	3,300	0	100
PRIMARY METALS	9,200	9,000	8,500	200	700
BLAST FURNACES, IRON & STEEL	5,500	5,400	5,300	100	200
NONFERROUS METALS	3,700	3,600	3,200	100	500
FABRICATED METALS	10,700	10,500	10,700	200	0
FABRICATED STRUCTURAL METALS	4,800	4,700	4,900	100	-100
OTHER FABRICATED METALS	5,900	5,800	5,800	100	100
MACHINERY	14,900	14,900	14,800	0	100
ELECTRICAL EQUIPMENT & SUPPLIES	13,400	13,200	12,900	200	500
TRANSPORTATION EQUIPMENT	9,900	10,600	10,900	-700	-1,000
INSTRUMENTS & RELATED PRODUCTS	12,000	12,000	13,400	0	-1,400
MISCELLANEOUS MANUFACTURING	2,800	2,800	2,500	0	300
NONDURABLE GOODS	55,600	51,900	55,000	3,700	600
FOOD & KINDRED PRODUCTS	23,900	20,900	24,500	3,000	-600
CANNING & PRESERVING	13,300	10,500	14,000	2,800	-700
OTHER FOOD PRODUCTS	10,600	10,400	10,500	200	100
TEXTILE MILL PRODUCTS	1,500	1,500	1,400	0	100
APPAREL	2,300	2,300	2,300	0	0
PAPER & ALLIED PRODUCTS	9,100	8,700	9,100	400	0
PRINTING & PUBLISHING	12,000	12,000	11,600	0	400
CHEMICALS & ALLIED PRODUCTS	2,200	2,100	2,100	100	100
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	3,700	3,500	3,200	200	500
LEATHER PRODUCTS	500	500	400	0	100
TOTAL NONMANUFACTURING	906,700	897,500	871,300	9,200	35,400
MINING & QUARRYING	1,400	1,400	1,500	0	-100
CONSTRUCTION	36,800	35,100	36,300	1,700	500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	57,600	57,300	56,900	300	700
TRANSPORTATION	36,600	36,300	35,800	300	800
RAILROAD	4,200	4,200	4,400	0	-200
TRUCKING & WAREHOUSING	21,300	21,000	20,300	300	1,000
OTHER TRANSPORTATION	11,100	11,100	11,100	0	0
COMMUNICATIONS	12,400	12,400	12,300	0	100
UTILITIES	8,600	8,600	8,800	0	-200
TRADE	279,600	274,900	271,500	4,700	8,100
WHOLESALE TRADE	68,500	68,000	68,000	500	500
DURABLE GOODS	40,600	40,200	40,100	400	500
NONDURABLE GOODS	27,900	27,800	27,900	100	0
RETAIL TRADE	211,100	206,900	203,500	4,200	7,600
GENERAL MERCHANDISE	26,400	25,500	25,500	900	900
FOOD STORES	34,800	34,100	32,300	700	2,500
AUTO DEALERS & SERVICE STATIONS	26,600	25,900	25,700	700	900
OTHER RETAIL TRADE	123,300	121,400	120,000	1,900	3,300
FINANCE, INSURANCE, & REAL ESTATE	73,800	72,700	69,800	1,100	4,000
BANKING & CREDIT AGENCIES	24,000	23,900	23,800	100	200
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,800	48,800	46,000	1,000	3,800
SERVICES	245,500	245,400	231,000	100	14,500
HOTELS & PERSONAL SERVICES	27,400	26,800	26,400	600	1,000
HEALTH SERVICES	75,500	74,800	72,600	700	2,900
OTHER SERVICES	142,600	143,800	132,000	-1,200	10,600
GOVERNMENT	212,000	210,700	204,300	1,300	7,700
FEDERAL GOVERNMENT	30,400	29,400	29,500	1,000	900
STATE GOVERNMENT	58,600	58,100	55,200	500	3,400
EDUCATION	24,700	24,900	23,300	-200	1,400
OTHER STATE	33,900	33,200	31,900	700	2,000
LOCAL GOVERNMENT	123,000	123,200	119,600	-200	3,400
EDUCATION	77,400	78,900	75,800	-1,500	1,600
OTHER LOCAL	45,600	44,300	43,800	1,300	1,800
LABOR-MANAGEMENT DISPUTES	100	100	700	0	-600

1/ Preliminary
2/ Revised
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.
4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).
5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

OREGON EMPLOYMENT & PAYROLLS - 1986 HIGHLIGHTS

Graham Slater

Employment and hours & earnings data presented in this publication are generally produced by Oregon's Current Employment Statistics program and are based upon a monthly sample of Oregon employers. However, several other sources of data do exist. One, commonly referred to as the "ES-202" program, compiles data from employers' quarterly Unemployment Insurance (UI) tax reports. As near as possible, this program can provide an accurate "head and payroll count" of all those working on payrolls covered by UI, approximately 98% of Oregon's payroll employees.

Due to the time lag involved in processing thousands of quarterly reports, preliminary data for the whole of 1986 is just now being released. Employment trends mirror those already well documented and published in Oregon Labor Trends. However, information relating to Oregonians' employment earnings is more completely available from the ES-202 program than from any other source. This UI-based data is available for all industries and includes all employees (in contrast to the monthly hours & earnings data which is not produced for some nonmanufacturing industries and which includes only production workers).

(Please note that the following data are preliminary and are subject to revision.)

The following brief analysis is intended to give the highlights of the data. For a more in-depth interpretation, call Errol Pederson or Ken Lux (both on (503) 378-8654) or order a copy of their publication Covered Employment & Payrolls, 1986.

TOTAL PAYROLL - Inflation-Adjusted Comparisons of 1986 and 1985:

- While employment grew by 2.9%, total payroll showed a 3.6% increase to 18.9 billion dollars.
- Total payrolls in both manufacturing and nonmanufacturing showed growth; 0.8% and 4.4% respectively.
- Lumber & wood products employment crept up 1.8%, but payrolls recorded a 1.2% decline.
- Food stores (+6.5%) and eating & drinking places (+8.1%) led trade payrolls toward a $3.7 billion level.

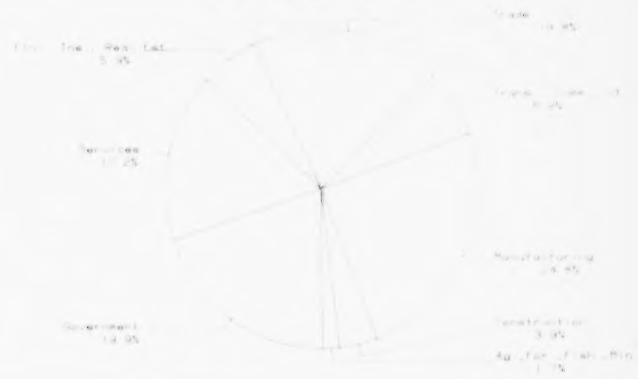
AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May[2] 1987	Apr[3] 1987	May 1986	May[2] 1987	Apr[3] 1987	May 1986	May[2] 1987	Apr[3] 1987	May 1986
TOTAL MANUFACTURING[4]	$426.12	$414.62	$423.94	40.2	39.3	39.4	$10.60	$10.55	$10.76
Durable Goods	434.84	421.05	434.28	41.1	40.1	40.1	10.58	10.50	10.83
Lumber & Wood Products	444.56	429.71	448.51	41.9	40.5	40.7	10.61	10.61	11.02
Logging & Sawmills	472.34	458.06	483.52	41.8	40.5	40.7	11.30	11.31	11.88
Veneer & Plywood	442.55	421.65	438.61	42.8	40.7	41.3	10.34	10.36	10.62
Millwork & Structural	366.95	371.70	360.50	41.0	41.3	40.1	8.95	9.00	8.99
Mobile Homes	311.69	303.63	292.37	35.5	34.9	33.8	8.78	8.70	8.65
Other Wood Products	449.00	415.11	449.76	42.6	39.8	41.3	10.54	10.43	10.89
Furniture & Fixtures	299.49	266.70	320.10	33.5	29.6	38.8	8.94	9.01	8.25
Primary Metals	515.26	507.49	471.51	42.2	41.7	40.3	12.21	12.17	11.70
Fabricated Metals	394.36	370.89	407.42	40.2	39.0	40.1	9.81	9.51	10.16
Machinery (Ex Electrical)	442.26	431.43	428.28	40.5	39.4	39.4	10.92	10.95	10.87
Nondurable Goods	397.94	395.57	392.09	37.4	36.9	37.2	10.64	10.72	10.54
Food & Kindred Products	323.82	314.40	324.90	35.9	34.1	36.1	9.02	9.22	9.00
Canning & Preserving	260.94	251.52	256.62	33.8	32.0	33.9	7.72	7.86	7.57
Other Food Products	408.29	400.34	414.96	38.7	37.0	39.0	10.55	10.82	10.64
Textile Mill Products	235.06	255.08	226.26	35.4	38.3	35.8	6.64	6.66	6.32
Apparel	213.01	222.27	211.41	35.8	36.8	36.2	5.95	6.04	5.84
Paper & Allied Products	628.32	645.63	620.17	40.8	41.6	41.4	15.40	15.52	14.98
Printing & Publishing	428.72	412.14	398.46	36.8	36.7	35.2	11.65	11.23	11.32
Construction[4]	495.94	473.63	482.33	36.2	34.8	34.7	13.70	13.61	13.90
Communications & Utilities[5]	547.64	532.66	512.89	41.3	41.1	40.9	13.26	12.96	12.54
Trade[5]	289.84	290.36	282.57	34.3	34.0	33.8	8.45	8.54	8.36
Wholesale Trade	391.23	386.80	377.95	37.8	37.3	37.2	10.35	10.37	10.16
Retail Trade	242.31	245.05	236.99	32.7	32.5	32.2	7.41	7.54	7.36
Banking & Insurance	318.97	310.76	300.88						
State & Local Government	352.82	347.84	341.06						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

COVERED EMPLOYMENT BY INDUSTRY
1986 Annual Average (preliminary data)

COVERED PAYROLL BY INDUSTRY
1986 Annual Average (preliminary data)



— Finance, insurance & real estate (F.I.R.E.) turned in the best performance of any major industry group, increasing total payrolls by 8.6%. Without banking, which appeared to be the only area not to share in the progress, F.I.R.E. payolls grew by 10.8%.

— Strong employment growth inevitably led to substantial increases in payrolls in services - overall, a 6.8% jump.

AVERAGE WEEKLY WAGE (AWW) - Inflation-Adjusted Comparisons of 1986 and 1985:

— Averaged for all industries, AWW showed a 0.7% increase from $349.88 to $352.27 (in 1986 dollars).

— Several industries showing strong growth in total payrolls were less encouraging in AWW; construction (-1.0% in AWW), trade (-0.2%), and services (+ 0.3%) fall into this category.

— F.I.R.E. recorded strongest overall growth in weekly wage as it did in total payrolls - a 5.4% increase to $377.25.

AVERAGE WEEKLY WAGE (AWW) - Comparison Between Industries - 1986:

— Significant differences remain between manufacturing ($456.37) and nonmanufacturing ($331.22) earnings.

— In manufacturing, high-paying industries include paper & allied products ($677.19), instruments ($560.80), and primary metals ($552.72). At the other extreme, leather products ($267.93), apparel ($276.43) and textiles ($309.97) provided the lowest wages in manufacturing.

— Nonmanufacturing industries show even greater disparity, partly due to the effect of varying concentrations of part-time work. High spots include utilities ($616.83), communications ($520.49), federal government ($501.75) and heavy construction ($497.65). Lower paying industries appear to be eating and drinking places ($122.73), hotels & other lodging places ($150.45), and personal services ($186.73).

PROPORTION OF OREGON'S TOTAL PAYROLL:

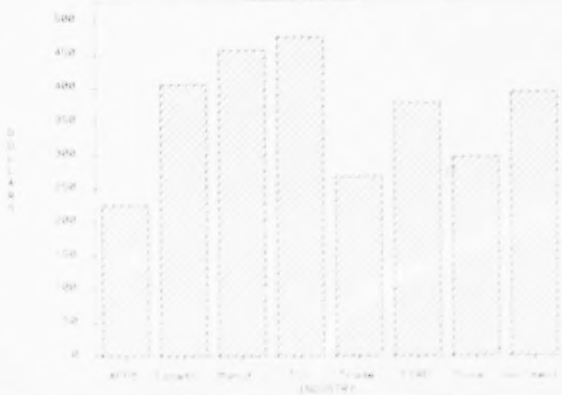
— While manufacturing maintained only a 19.2% share of employment, this sector contributes 24.8% of the State's payroll dollars.

— On the other hand, services (with a 20.4% employment share) accounted for just 17.2% of total payroll.

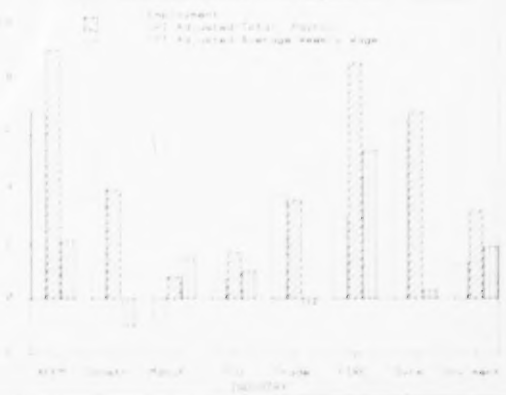
— Even so, based on overall employment trends, services' relative importance is growing (16.6% in 1985 to 17.2% in 1986) while manufacturing's is declining (25.5% to 24.8%).

The accompanying graphs should add to this newly available view of Oregon's employment during 1986. Most of the abbreviations are self-explanatory or have been defined in the above narrative. Two exceptions are "AFFM" which represents "Agriculture, Forestry, Fishing, Mining" and "TCU" ("Transportation, Communications, Utilities"). These data, with any necessary revisions (which should be minor) will be formally published early in September. □

AVERAGE WEEKLY WAGE BY INDUSTRY
Preliminary data for 1986



EMPLOYMENT DATA - OREGON COVERED PAYROLLS
Percent Change in Annual Averages: 1985-1986



CORRECTION

Last month's issue of Oregon Labor Trends contained an article entitled "Local LMI and The Labor Market Economist". Due to an error in the table listing the economists, a corrected table appears below. We apologize for any inconvenience to our readers. □

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OREGON LABOR TRENDS

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